

COMPANIES HOUSE

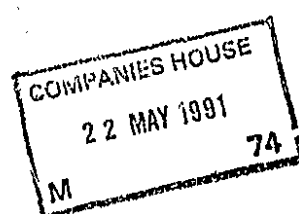
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1680157

ELVADENE LIMITED
AND SUBSIDIARIES

FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 1990



ELVADENE LIMITED
AND SUBSIDIARIES

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**ELVADEN LIMITED
AND SUBSIDIARIES**

HOLDING COMPANY INFORMATION

DIRECTORS:

A B Jelly
J Jelly
A George
J Campbell

**COMPANY
SECRETARY:**

J Jelly

REGISTERED OFFICE:

Moorfield Road
Guildford
Surrey
GU1 1RU

REGISTERED NUMBER:

1680157

AUDITORS:

Duke Hayward
Chartered Accountants
11-13 Coombe Road
New Malden
Surrey
KT3 4PX

BANKERS:

Barclays Bank plc
171 High Street
Guildford
Surrey
GU1 3AN

SOLICITORS:

Bartons
Robertson House
11-17 Leas Road
Guildford
Surrey
GU1 4QW

ELVADENE LIMITED
AND SUBSIDIARIES

REPORT OF THE DIRECTORS

The directors present their report with the financial statements of the group for the year ended 30 September 1990.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the manufacture, supply and service of commercial catering equipment.

REVIEW OF BUSINESS

During the year the company's subsidiary, Merrychef Limited, merged with Mealstream (UK) Limited, a well established company involved in the manufacture of commercial catering equipment. The directors believe that the combined group is now well placed to face the current difficult trading conditions in the catering industry.

DIVIDEND

The directors recommend that no dividend be paid for the year.

FIXED ASSETS

Information relating to changes in tangible fixed assets is given in note 9 to the accounts.

RESEARCH AND DEVELOPMENT

The group is heavily committed to research and development activities so as to improve its position in the market.

DIRECTORS

The directors in office during the year and their beneficial interests in the issued share capital were as follows:

	<u>Ordinary shares of £1 each</u>	
	<u>30. 9.90</u>	<u>30. 9.89</u>
A B Jelly	6,000	6,000
J Jelly	1,500	1,500
N G Wood (resigned 15 January 1990)	-	500
A George	500	500
J Campbell (appointed 9 February 1990)	500	-

In accordance with the Articles of Association, J Campbell will retire at the forthcoming Annual General Meeting, and being eligible, will stand for re-election.

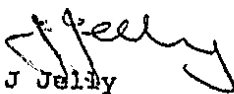
CLOSE COMPANY

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

AUDITORS

The auditors, Duke Hayward, will be proposed for re-appointment in accordance with Section 384 of the Companies Act, 1985.

BY ORDER OF THE BOARD:


J Jelly

Company Secretary

Dated: 23 April 1991

ELVADENE LIMITED
AND SUBSIDIARIES

AUDITORS' REPORT TO THE MEMBERS OF
ELVADENE LIMITED

We have audited the financial statements on pages
four to fifteen in accordance with Auditing Standards.

In our opinion the financial statements give a true and
fair view of the state of affairs of the company and the
group at 30 September 1990 and of the group loss
and source and application of funds for the year then ended
and have been properly prepared in accordance with the
Companies Act 1985.

Duke Hayward.

Duke Hayward
Chartered Accountants
11-13 Coombe Road
New Malden
Surrey
KT3 4PX

Dated: 23 April 1991

**ELVADENE LIMITED
AND SUBSIDIARIES**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 30 September 1990**

		30. 9.90	30. 9.89
	Notes	£	£
TURNOVER	2	5,114,045	4,170,688
Cost of sales		3,040,046	2,683,031
GROSS PROFIT		2,073,999	1,487,657
Administrative expenses		2,301,709	1,736,281
		(227,710)	(248,624)
Other operating income		8,900	-
OPERATING LOSS	4	(218,810)	(248,624)
Other investment income	5	16,625	13,609
Interest payable and similar charges	6	(6,576)	-
LOSS ON ORDINARY ACTIVITIES BEFORE EXCEPTIONAL ITEM		(208,761)	(235,015)
Exceptional item	7	(218,884)	-
LOSS BEFORE TAXATION		(427,645)	
Tax on loss on ordinary activities	8	(57,437)	(70,471)
LOSS FOR THE YEAR	15	£(370,208)	£(164,544)

The notes form part of these financial statements

**ELVADENE LIMITED
AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEET
At 30 September 1990**

	Notes	30. 9.90		30. 9.89	
		£	£	£	£
FIXED ASSETS:					
Tangible assets	9	417,081		466,823	
CURRENT ASSETS:					
Stocks	11	955,292		941,038	
Debtors	12	826,117		653,713	
Cash at bank and in hand		206,588		23,483	
		-----		-----	
		1,987,997		1,618,234	
Creditors: Amounts falling due within one year	13	1,244,964		1,031,796	
		-----		-----	
NET CURRENT ASSETS		743,033		586,438	
		-----		-----	
TOTAL ASSETS LESS CURRENT LIABILITIES		1,160,114		1,053,261	
		-----		-----	
Creditors: Amounts falling due after more than one year					
Obligations under finance leases and hire purchase contracts		26,368		-	
		-----		-----	
		£1,133,746		£1,053,261	
		=====		=====	
CAPITAL AND RESERVES:					
Share capital	14	10,000		10,000	
Debtenture revaluation surplus		27,836		27,836	
Consolidation reserve	15	324,139		85,822	
Profit & loss account	15	489,320		929,603	
		-----		-----	
Shareholders' funds		851,295		1,053,261	
Minority interests		282,451		-	
		-----		-----	
		£1,133,746		£1,053,261	
		=====		=====	

SIGNED ON BEHALF OF THE BOARD:


A B Jelly. Director

Date: 23 April 1991


The notes form part of these financial statements

ELVADENE LIMITED

COMPANY BALANCE SHEET
At 30 September 1990

		30. 9.90	30. 9.89
	Notes	£	£
FIXED ASSETS:			
Investments	10	64,999	65,000
 Creditors: Amounts falling due within one year	13	27,163	27,164
TOTAL ASSETS LESS CURRENT LIABILITIES		£37,836	£37,836
 CAPITAL AND RESERVES:			
Share capital	14	10,000	10,000
Debenture revaluation surplus		27,836	27,836
		£37,836	£37,836

SIGNED ON BEHALF OF THE BOARD:


A B Jelly. Director

Date: 23 April 1991

The notes form part of these financial statements

**ELVADENE LIMITED
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS
for the year ended 30 September 1990**

	30. 9.90		30. 9.89	
	£	£	£	£
SOURCE OF FUNDS:				
Loss before taxation	(427,645)		(235,015)	
Adjustment for items not involving the movement of funds:				
Depreciation	190,147		174,534	
Loss/(profit) on disposal of fixed assets	17,583		(4,498)	
Results of Mealstream (UK) Limited for the 17 months ended 30.9.90, not consolidated	(56,461)			
Mealstream (UK) Limited and subsidiary at 30 April 1989:				
- net assets	478,435		-	
- excess taxation provision	60,030		-	
		262,089		(64,979)
Funds from other sources:				
Proceeds from sale of fixed assets	39,152		25,538	
Finance leases and hire purchase	26,368		-	
Taxation repaid	103,734		-	
		169,254		25,538
		431,343		(39,441)
APPLICATION OF FUNDS:				
Purchase of fixed assets	101,911		172,873	
Fixed assets - new subsidiary	95,228		-	
Taxation paid	149,980		111,671	
		347,119		284,544
		£84,224		£(323,985)
		=====		=====
COMPONENTS OF INCREASE/(DECREASE) IN WORKING CAPITAL:				
Stocks	14,254		(213,209)	
Debtors	172,404		(104,567)	
Creditors less than one year	(285,539)		181,841	
		(98,881)		(135,935)
Movement in Net Liquid Funds				
Cash at bank and in hand		183,105		(188,050)
		£84,224		£(323,985)
		=====		=====

The notes form part of these financial statements

ELVADENE LIMITED
AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 1990

1. ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared under the historical cost convention.

Basis of Consolidation

The group accounts consolidate the accounts of Elvadene Limited and its subsidiaries made up to 30 September 1990.

As provided by section 228 of the Companies Act 1985, no profit and loss account is presented for Elvadene Limited, which did not trade during the year.

Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax.

Tangible Fixed Assets

Depreciation is provided, after taking account of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life, on a straight line basis:

Leasehold property	- over remaining term of lease
Tooling	- 50%
Plant & machinery	- 10%
Fixtures & fittings	- 15%
Motor vehicles	- 25%
Equipment and computers	- 25%

Stocks

Stock and work in progress is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred Taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Research and Development

Expenditure on research and development is written off in the year in which it is incurred.

ELVADENE LIMITED
AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 1990

1. ACCOUNTING POLICIES (continued)

Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Government Grants

All grants receivable are netted off against the expenditure or assets to which they relate.

Maintenance Contracts

The unexpired portion of maintenance contract income at the balance sheet date is included in creditors.

Warranties for Products

Provision is made for the estimated liability on all products still under warranty.

2. TURNOVER

The turnover and profit before taxation is attributable to the one principal activity of the group.

The analysis of turnover by geographical market has been omitted.

3. STAFF COSTS (including directors)

	1990	1989
	£	£
Wages and salaries	1,490,554	1,072,487
National Insurance	138,179	101,923
Pension costs	74,225	77,100
	-----	-----
	£1,702,958	£1,251,510
	=====	=====

The average weekly number of employees during the year was as follows:

	1990	1989
Office and management	77	61
Production	37	23
	===	===

**ELVADENE LIMITED
AND SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 1990**

4. OPERATING LOSS

The operating loss is stated after charging:

	1990	1989
	£	£
Directors' emoluments (see below)	187,021	210,795
Hire of plant and machinery	18,464	14,656
Depreciation	220,031	174,534
Loss/(profit) on disposal of fixed assets	18,861	(4,498)
Auditors' remuneration	10,000	7,000
	=====	=====

The emoluments of the chairman, excluding pension contributions, were £54,419 (1989 - £52,138). Other directors' emoluments, excluding pension contributions, fell within the following ranges:

	1990	1989
	No.	No.
£nil - £5,000	1	-
£10,001 - £15,000	1	-
£20,001 - £25,000	1	1
£35,001 - £40,000	-	2
£40,001 - £45,000	1	-

5. OTHER INVESTMENT INCOME

	1990	1989
	£	£
Deposit account interest	£16,625	£13,609
	=====	=====

6. INTEREST PAYABLE AND SIMILAR CHARGES

	1990	1989
	£	£
On bank loans and overdrafts, repayable within five years, not by instalments	3,589	-
Interest element of charges payable under finance leases and hire purchase contracts	2,987	-
	-----	-----
	£6,576	£ -
	=====	=====

7. EXCEPTIONAL ITEM

Costs and write-offs, including closure and relocation, in connection with absorption of new subsidiary.

8. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	1990	1989
	£	£
Based on the adjusted results of the year:		
- UK Corporation Tax at 35%	2,225	(68,242)
Adjustment for prior years	(59,662)	(2,229)
	-----	-----
	£(57,437)	£(70,471)
	=====	=====

**ELVADENE LIMITED
AND SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 1990**

9. TANGIBLE FIXED ASSETS - Group

	Leasehold property	Tooling	Plant & machinery
	£	£	£
COST:			
At 1 October 1989	26,278	98,351	102,562
New subsidiary company	-	24,037	32,233
Additions	-	34,993	8,402
Disposals	-	(37,994)	(26,187)
	26,278	119,387	117,010
DEPRECIATION:			
At 1 October 1989	6,403	34,986	44,369
New subsidiary company	-	8,509	27,528
Charge for year	1,056	51,620	10,641
Eliminated on disposals	-	(37,994)	(26,187)
	7,459	57,121	56,351
NET BOOK VALUES:			
At 30 September 1990	£18,819	£62,266	£60,659
At 30 September 1989	£19,875	£63,365	£58,193

	Fixtures & fittings	Motor vehicles	Equipment and computers	Totals
	£	£	£	£
COST:				
At 1 October 1989	82,093	357,241	137,205	803,730
New subsidiary company	23,892	83,207	8,431	172,800
Additions	1,061	45,927	11,528	101,911
Disposals	(617)	(117,434)	(30,477)	(212,709)
	106,429	368,941	126,687	864,732
DEPRECIATION:				
At 1 October 1989	38,017	135,326	77,806	336,907
New subsidiary company	8,984	27,888	3,663	76,572
Charge for year	12,805	83,037	30,988	190,147
Eliminated on disposals	(84)	(61,233)	(30,477)	(155,975)
	59,722	185,018	81,980	447,651
NET BOOK VALUES:				
At 30 September 1990	£46,707	£183,923	£44,707	£417,081
At 30 September 1989	£44,076	£221,915	£59,399	£466,823

Assets included in the above which are held under finance leases or hire purchase contracts:

	Motor vehicles	Plant & machinery
NET BOOK VALUES:		
At 30 September 1990	£55,477	£4,605
At 30 September 1989	-	-

**ELVADENE LIMITED
AND SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 1990**

10. INVESTMENTS

	1990	1989
	£	£
Cost of investment in subsidiaries	15,000	15,000
Disposals	1	-
	-----	-----
	14,999	15,000
Value of debenture due by subsidiary	50,000	50,000
	-----	-----
	£64,999	£65,000
	=====	=====

The company has investments in the following subsidiary companies:

	Principal activity	Percentage of shares held by:	
		The company	Subsidiaries
	-----	-----	-----
Merrychef Limited	Manufacture of commercial catering equipment	75	
Mealstream (UK) Ltd	Manufacture of microwave catering equipment & magnetising equipment		100
Magnetising Techniques Ltd	Dormant		100
Max Arc Limited	Dormant		100

The original cost of the debenture was £22,164. It is secured by a fixed and floating charge over the subsidiary's assets.

Merger

On 25 June 1990 Merrychef Limited merged with Mealstream (UK) Limited. The merger was effected by Merrychef Limited issuing 14,000 of its ordinary shares with a nominal value of £14,000 and with a fair value of £150,000 in exchange for the entire issued share capital of Mealstream (UK) Limited with a nominal value of £355,755.

Merrychef Limited has taken advantage of the merger relief provisions of the Companies Act 1985 to record its investment in Mealstream (UK) Limited in its own accounts at the nominal value of the shares issued of £14,000. In the consolidated accounts the combination has been accounted for as a merger with the difference between the nominal value of the shares issued and the nominal value of the shares acquired being shown as a merger reserve.

**ELVADENS LIMITED
AND SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 1990**

10. INVESTMENTS - continued

The results of Mealstream (UK) Limited have been consolidated with those of the group as if Mealstream (UK) Limited had been a subsidiary from 1 October 1989. The consolidated profit and loss account for the current year includes two thirds of the results of Mealstream (UK) Limited for the 17 months ended 30 September 1990. The portion of the results of Mealstream (UK) Limited for the 17 months ended 30 September 1990 which is not dealt with through the profit and loss account is shown as a movement on reserves (see note 15).

The comparative figures have not been restated.

The following figures indicate the major effects of the combination on the results for the year:

Results of Mealstream (UK) Limited for the 14 months ended 25 June 1990:

Turnover	£1,642,834
	=====
Loss after taxation	£90,007
	=====

11. STOCKS - Group

	1990	1989
	£	£
Raw materials and consumables	632,594	610,385
Work in progress	88,845	54,160
Finished goods	233,853	276,493
	-----	-----
	£955,292	£941,038
	=====	=====

12. DEBTORS - Group

	1990	1989
	£	£
Trade debtors	756,726	608,117
Other debtors & prepayments	69,391	45,596
	-----	-----
	£826,117	£653,713
	=====	=====

**13. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

Group	1990	1989
	£	£
Trade creditors	847,547	619,661
Social security & other taxes	87,080	58,023
Other creditors and accruals	291,410	281,741
Taxation	-	72,371
Hire purchase and finance leases	18,927	-
	-----	-----
	£1,244,964	£1,031,796
	=====	=====
Company		
Group companies	£27,163	£27,164
	=====	=====

ELVADENE LIMITED
AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 1990

14. CALLED UP SHARE CAPITAL

	1990 £	1989 £
Authorised, allotted, issued and fully paid: 10,000 Ordinary shares of £1 each	£10,000 =====	£10,000 =====

15. RESERVES - Group

	Profit & loss account £	Consolidation reserve £
<u>1989</u>		
At 1 October 1988	1,094,147	85,822
Consolidated loss for the year	(164,544) -----	-----
At 30 September 1989	£929,603 =====	£85,822 =====
<u>1990</u>		
At 1 October 1989	929,603	85,822
Arising on merger between Merrychef Limited and Mealstream (UK) Ltd and subsidiary	122,680	341,755
Consolidated loss for the period	(370,208)	
Portion of the loss of Mealstream (UK) Ltd for the 17 months ended 30 September 1990 which is not dealt with through the consolidated profit and loss account (see note 10)	(27,743)	
Bonus issue	(2,000)	2,000
Transfer to minority interests	(163,012) -----	(105,438) -----
At 30 September 1990	£489,320 =====	£324,139 =====

**ELVADENE LIMITED
AND SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 1990**

16. DEFERRED TAXATION - Group

Potential deferred taxation, which has not been provided in the accounts, is as follows:

	1990 £	1989 £
Capital allowances in advance of depreciation	-	£4,527
	=====	=====

17. OPERATING LEASE COMMITMENTS

The group is committed to make the following payments during the year to 30 September 1991 in respect of the lease of land and buildings:

	1990 £	1989 £
Leases which expire:		
- within 2-5 years	27,825	27,825
- after 5 years	90,000	90,000
	-----	-----
	£117,825	£117,825
	=====	=====